GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands - APIIC - M/s. Raheja Corp Private Limited Transfer of Land in favour of the SPV company i.e., M/s. Madhurawada Holdings Private Limited (100% subsidiary of M/s. Raheja Corp Private Limited) for development of IT Towers (Office space for IT/ITES companies), Incubation space and support services in *Ac. 2.50 cts in Hill No.2 and Ac.2.27 cts in Hill No:3 (totaling Ac.4.77 cts)*-Orders - Issued.

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INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.120 Dated:14.11.2023.

Read the following:

1. Letter No.46CGM(P)/APIIC/IT - HUB/VSP/07 dt.21.01.2008 of APIIC Ltd.
2. From the VC&MD., APIIC Ltd., Single File No.46/CGM(P)/ APIIC/R-HUB/VSP/07 (C.No.419614), dt.12.09.2023.
3. Minutes of the State Investment Promotion Board (SIPB) meeting held on 30.10.2023.

ORDER

In the Letter 1st read above, Letter of Award was issued to M/s.K.Raheja Corp Pvt. Ltd., by APIIC Ltd., for development of IT Towers (Office space for IT/ITES companies), Incubation space and support services such as Service Apartments, and Health club, Restaurants etc., in IT SEZs Hill Nos. 2 & 3 in the total extent of land measuring Ac.7.24 cts in three parcels, at offered price of Rs.2,01,10,000/- per acre subject to the conditions, that the land is allotted on long lease basis (initially for a period of 33 years) and Company has to pay the lease rentals at 2% on the offered upfront cost for the first five years, @ 5% from 6th to 20th year and @ 10% from 21st year to 33rd year. The company has paid the entire amount of Rs.14,55,96,400/-. Due to variation in extent of land because of existing water tank and sump in the CFC area of Hill No.3, modification orders were issued on 29.05.2012 to the extents of *Ac. 2.50 cts in Hill No.2 and Ac.2.27 cts in Hill No:3 (totaling Ac.4.77 cts)* and was falling under SEZ. Subsequently, lease deed was executed on 24.04.2013 for Ac.4.77 cts and registered vide Doc No.2485/2013. The possession of the above two parcels were handed over to the Company on 24.04.2013 separately for implementation of the project and the proportionate amount for the excess area of Ac.2.47 cts (7.24 - 4.77) was refunded to the Company.

(P.T.O.)

2. In the reference 2nd read above, the VC&MD., APIIC Ltd., has informed that it was reported on 30.12.2014 by Raheja that they submitted the Co-developer agreement on 21.08.2013 to APIIC for execution and as there was a proposal for de-notification of SEZs, basing on the request of allottees, the immediate action had not been initiated by APIIC. It was ascertained from the Development Commissioner, VSEZ that as per the SEZ Act for taking up of construction of the buildings, the valid Letter of Allotment (LOA) would suffice and to avail any benefits from Govt. of India, the Bond-cum-Legal Agreement executed between the allottee and Development Commissioner would be required. Further, for taking up of construction activity, the Co-Developer Agreement was not mandatory. Accordingly, a show cause notice was issued to company on 17.03.2015, reiterating the same and as per terms of Lease Deed. Responding to the notice, M/s K. Raheja Corpn Pvt Ltd informed vide letter dated 22.03.2015, as per Lease Deed and SEZ Act, the Co-developer agreement was essential for implementation of the project. Further, the Company informed that the de-notification of the layout would affect their interests. Since 2015, the allottees of Hill No.2 actively taken up the issue with the Govt. of AP, for de-notification of IT SEZ and even, all the allottees expressed their willingness to repay the concessions and benefits availed under SEZ Act, as they wanted sale deeds for getting financial assistance from Banks. M/s K. Raheja Corpn Pvt Ltd. had also given the letters to that extent for de-notification of Hill No.2, (vide letter dated 10.10.2015.). Accordingly, the total IT SEZ Hill No.2, Madhurawada was de-notified by Govt. of India; vide Notification No. 3066 (E) dated 12.09.2017.

3. The VC & MD, APIIC informed that the company on 07.09.2017 submitted the time lines implementation of the project duly stating that Building plans were ready for Hill No 2&3 and they were likely to submit for approval to the concerned Authorities and Request for grant of EoT for 2 years from the date of obtaining building approval. The allotment of (1) Ac 2.50 of land service area at Hill No.2 and (2) Ac 2.27 of land in CFC area at Hill No.3 in IT/ITES SEZ, Madhurawada made in favour of M/s K.Raheja Corp Private was cancelled by order of ZM, ZPIIC on 08.09.2017 as per clause No.3 (i) of lease deed duly following the procedure since the Company has not taken any effective steps for implementation of the project. Meanwhile, the company had submitted building plan for approval with the IALA Authorities on 11.09.2017, which the same was rejected by the Commissioner IALA, IT Park, Madhurawada, since the allotment was cancelled due to violation of terms and conditions of lease deed.

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4. Vide representation dated 21.9.2017, the Company requested APIIC to withdraw its Cancellation Order and restore the allotment; In terms of Clause 11 (Arbitration) of the Lease Deed and express provisions for Arbitration in the Lease Deed, the company requested not to initiate any action for re-entry on the Leasehold Land, without obtaining interim order from a competent court under Section 9 of the Arbitration & Conciliation Act, 1996 and same request to withdraw the cancellation order was given by the company on 21.11.2017. Soon after, the vacant possession of the plot was resumed on 20.11.2017 by exercising the right of re entry. Further the lease deed Doc No: 2485/2013 was cancelled unilaterally by executing cancellation deed on 4.12.2017 and registered vide Doc No.6155/2017. APIIC has also refunded the eligible amount by way of cheque as per the guidelines. The Company has returned the cheque to APIIC on 23.03.2018 and requested for revocation of the cancellation.

5. Vide representation dated.20.08.2019, K.Raheja Corp Private Limited requested for revoking / withdrawal of the cancellation order and APIIC to restore the lease deed. Further the Company requested APIIC to convert the land of 2.50 acres at Hill No.02 to outright sale basis, and the lease premium paid/adjusted could be taken as sale consideration. The Company has further informed that for Hill No.3, which would continue as SEZ land, for administrative convenience and requested to expedite the development and also to execute a lease cum co development agreement in the name of the nominee/associate/SPV companies of M/s KRC. APIIC has not considered the request of the Company. M/s. K.Raheja Corp. Private Limited has again submitted a representation on 02.02.2021 to APIIC, duly requesting for restoration of allotment.

6. The VC&MD., APIIC Ltd., has also informed that, in the 228th Board meeting of APIIC held on 22.03.2021, the Board has considered the request of the allottee for restoration of allotment subject to complying with the following conditions and the same was communicated to the Company on 30.05.2021 through the Zonal Manager to comply the above conditions:-

i. Withdrawal of cancellation and resumption of land orders without any fee with respect to 2.27 acres of land in Hill No.3 and 2.50 acres of land in Hill No.2 and proceeding ahead with allotment of land to K.Raheja Corp for development of the project as per the Letter of Award and Lease Agreement executed in 2013.

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ii. Execution of Lease agreement, Co-developer agreement for 2.27 acres of land in Hill No.3 and Agreement of sale for 2.50 acres of land in Hill No.2 with necessary clauses as required for a developer to be issued and entered into with K.Raheja Corp / SPV company for enabling the successful bidder as a developer of IT infrastructure facility to attract the IT/ITeS companies for leasing / sale of built-up space and thus creating employment.

iii. The project can be implemented by the successful bidder, as requested, through SPV Companies subject to condition that the SPV Companies along with successful bidder is responsible for implementation of the project as per the tender document.

iv. DPR in proper and full shape with revised investment, employment and timelines for implementation of the project as per the Bid / tender documents shall be submitted within two months from the date of issuance of orders.

7. Vide letters dated 01.12.2021 & 29.12.2021, the M/s. K.Raheja Corp Private Limited submitted the Detailed Project Report, Board Resolution and Incorporation certificate in the name of M/s Madhurawada Holdings Private Limited and informed that the project will be implemented by their SPV Company M/s. Madhurawada Holding Pvt. Ltd., which is completely owned by K Raheja Corp Pvt. Ltd. Further, M/s. K.Raheja Corp Private Limited vide their Letter dated dt.01.04.2022, submitted the Detailed Project Report and Board Resolution and Incorporation certificate in the name of M/s. Madhurawada Holdings Private Limited and requested for transfer of allotment of land in favour of the SPV company i.e., M/s. Madhurawada Holdings Private Limited for implementation of the project. In turn, APIIC vide their Letter dt.03.08.2022, requested the Group CEO., APEITA., to kindly examine the DPR submitted by M/s. K.Raheja Corp. Private Limited in terms of the IT Policy with respect to minimum built up area per acre and employment to be generated and to submit a report in the matter. Further, the Secretary to Govt., ITE&C Department, has been requested to examine the DPR submitted by the company in all aspects and offer the recommendations on the request of the Company for allotment / transfer of allotment of land in

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favour of the SPV company i.e., M/s. Madhurawada Holding Pvt. Ltd. And CCITEI in its meeting held on 15.02.2023 examined the proposal and deferred for want of Detailed Project Report with supporting documents and financial closure.

8. Further, M/s. Raheja Corp Private Limited has made representation on 09.08.2023 that

Schedule of Construction in Hill No.2 on an extent of of Acs.2.50:

- In the first ten Months from the date of approvals, a gross built up area 50000 sft or base structure will be constructed and 25,000 sft will be made available for office use.

- Within 24 months from the date of approvals, another 75,000 Sft will be made available for office use.

Schedule of Construction in Hill No.3 on an extent of of Acs.2.25 SEZ:

- In the ten months from the date of approval, gross built up area 35,000 sft of base structure will be constructed and 20000 sft will be made available for office use.

- Within 36 months from the date of approval, another 50,000 sft will be made available for office use.

and requested that the Company will complete the project within agreed timelines, provided restoration of the lease deed dated 24th April 2013 vide document No.2485 of 2013 and to convert the lands 2.50 acres at Hill No.02 on outright sale basis and the lease premium paid / adjusted can be taken as sale consideration. For the lands 2.27 acres at Hill no.03, which will continue as SEZ land for administrative convenience and to expedite the development and requested Io immediately execute a lease cum co-developer agreement in the name of nominee/SPV company of K Raheja Corp Private Limited and to consider to extend the timelines for the implementation the project and accordingly, revoke the cancellation order of the lease deed dated 24th April 2013.

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9. The VC&MD., APIIC Ltd., has furnished the above representation dated 09.08.2023 to Government for placing the proposal before SIPC / SIPB, keeping in view of the Resolution dt.22.03.2021 of 228th Board meeting of APIIC:-

i. On the request of the Company for transfer of allotment of land in favour of the SPV company i.e., M/s. Madhurawada Holding Pvt. Ltd., for implementation of the project duly examining the DPR submitted by M/s. K.Raheja Corp. Private Limited in all aspects.

ii. On execution of Lease Deed, Co-developer agreement for 2.27 acres of land in Hill No. 3 and Agreement of sale, Co-developer agreement for 2.50 acres of land in Hill No.2 in favour of the SPV company i.e., M/s.Madhurawada Holding Pvt. Ltd.

iii. Timelines to be stipulated for implementation of the project in the lease deed and sale agreement to be executed in favour of the SPV company i.e M/s. Madhurawada Holding Pvt. Ltd., and EoT fee to be collected keeping in view that the possession of land was handed over on 24.04.2013 and Board of APIIC restored the allotment without any fee.

10. Accordingly, the request of the Company has been placed before State Investment Promotion Board (SIPB) meeting held on 30.10.2023 with the recommendations of the State Investment Promotion Committee (SIPC) in its meeting held on 20.10.2023.

11. In the reference, 3rd read above, the SIPB has discussed the proposal and agreed for the transfer of Land in favour of the SPV company i.e., M/s. Madhurawada Holdings Private Limited (100% subsidiary of M/s. Raheja Corp Private Limited) duly obtaining the specific timelines for implementation of project and as per allotment regulations of APIIC.

12. Government after careful examination of the proposal, hereby accord permission to the VC&MD., APIIC Ltd., for the transfer of Land in favour of the SPV company i.e., M/s. Madhurawada Holdings Private Limited (100% subsidiary of M/s.Raheja Corp Private Limited) duly obtaining the specific timelines for implementation of project and as per allotment regulations of APIIC.

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13. The Vice Chairman & Managing Director, APIIC Ltd., and the Commissioner of Industries, A.P., shall take necessary action in the matter accordingly, duly ensuring that 100% ownership by M/s K.Raheja Corp Private Limited in the SPV is retained until completion of the entire project and ensuring the adherence to the specific and binding timelines for the implementation of the project.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, APIIC Ltd., APIIC Towers, IT Park, Mangalagiri, Guntur District -522503.
The Commissioner of Industries, APIIC Towers, 8th floor, Mangalagiri, Guntur District -522503.

Copy to:
The ITE&C Department, A.P. Secretariat.
The Authorised Signatory, M/s.Raheja Corp Private Limited.
The General Administration (Cabinet) Dept.,A.P.Secretariat. (W.r.t the U.O.No. 344/2023,dt.06.11.2023.).
The P.S to Special Chief Secretary to Hon'ble Chief Minister, A.P. Secretariat, Velagapudi.
The P.S.to Hon'ble Minister (III&C and IT), A.P. Secretariat, Velagapudi.
The P.S to Chief Secretary to Government, A.P.Secretariat, Velagapudi.
The P.S to Secretary to Government & CIP, Ind. & Com. Dept, A.P.Secretariat, Velagapudi.
SC/SF.

//FORWARDED::BY ORDER//

SECTION OFFICER